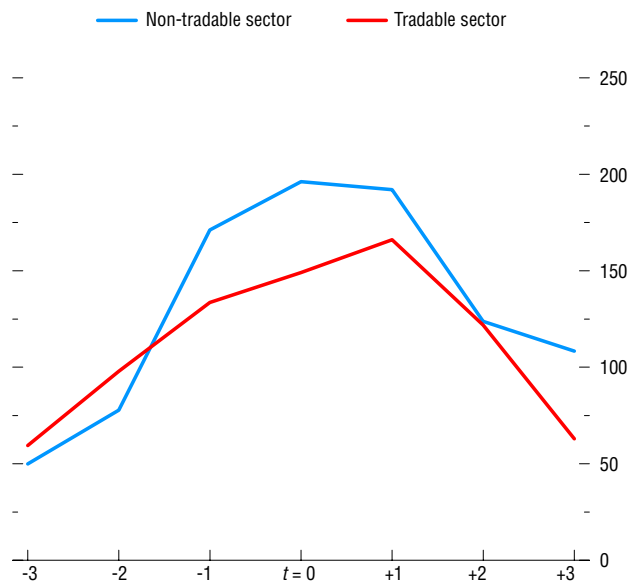


Figure 4.8. Corporate Leverage During a Credit Boom ¹
(Total debt to market value of equity, percent)

During a credit boom, leverage rises more sharply in the non-tradable sector.



Sources: Thomson Analytics; and IMF staff calculations.

¹A credit expansion in a given country is identified as a boom if it exceeds the standard deviation of that country's credit fluctuations around its Hodrick-Prescott trend by a factor of 1.75.